

# EMERGING MARKETS UCITS FUND (USD)

As of June 30, 2019



## FUND STATISTICS

**Class Inception:** Oct 19, 2016

**ISIN:** IE00BWT3P316

**Minimum Initial Investment:**  
\$1 Million

**Ongoing Expenses: \*** 1.20%

*\*Ongoing charges are based on the last year's expenses for the period ending 31/12/2018, and this figure may vary from year to year.*

**Class Net Assets:** \$12,819,154

## TOTAL RETURNS

AS OF 6/30/2019

	USD Class	MSCI Emerging Markets in USD (Gross)
<b>Curr. Qtr.</b>	0.53%	0.74%
<b>YTD</b>	8.69%	10.76%
<b>1 year</b>	-2.56%	1.61%
<b>Since Inc.</b>	5.63%	8.34%

## Investment Objective

The investment objective of the Fund is to seek long-term growth of capital in emerging markets.

## Investment Strategy

The Investment Manager uses a quantitative investment approach to purchase and sell investments for the Fund.

The Fund invests in companies in ten or more emerging markets. If the Fund invests in a country, the percentage of the Fund's total assets attributable to that country is not expected to be greater than the weight of that country as represented in the MSCI Emerging Markets Index, plus 5 percentage points, or less than the weight of that country in the MSCI Emerging Markets Index minus 5 percentage points.

## Fund Features

- Actively managed, tracking-error oriented, quantitative strategy
- Combines bottom-up and top-down factors in security selection
- Supports strict risk controls in stock selection process
- Provides diversification benefits to a developed markets portfolio

## About the Adviser

Causeway Capital Management LLC is an investment management firm which began operations in June 2001. Causeway has approximately \$51.8 billion in global, international, emerging market and absolute return equities assets under management, and has 101 employees, 36 of whom are investment professionals.

**ARJUN JAYARAMAN, PhD, CFA Portfolio Manager** Dr. Jayaraman joined the firm in January 2006 and is head of the quantitative research group at Causeway. He has been co-portfolio manager of the Fund since March 2007.

**MACDUFF KUHNERT, CFA Portfolio Manager** Mr. Kuhnert performs quantitative research for Causeway. His responsibilities include product development, asset allocation, risk management, and the design and implementation of proprietary valuation models and other quantitative tools. He joined the firm in July 2001 and has been co-portfolio manager of the Fund since March 2007.

**JOE GUBLER, CFA Portfolio Manager** Mr. Gubler is a quantitative portfolio manager for Causeway. He joined Causeway as a quantitative research associate in April 2005 and was promoted to portfolio manager in January 2014.

*The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost and current performance may be lower than the performance quoted. Returns greater than one year are average annual total returns. All information is as of the date shown. Investment performance reflects the Investment Manager's voluntary undertaking to limit ongoing charges during certain periods. In the absence of such voluntary undertaking, total return would be reduced. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Returns greater than one year are annualized.*

*The MSCI Emerging Markets Index in USD (Gross) is a free float-adjusted market capitalization index, designed to measure equity market performance of emerging markets, consisting of 26 emerging country indices. The Index is gross of withholding taxes, assumes reinvestment of dividends and capital gains, and assumes no management, custody, transaction or other expenses. It is not possible to invest directly in an index.*

## TOP TEN COUNTRIES

China	33.3%
South Korea	14.1%
India	10.8%
Taiwan	9.5%
Brazil	9.2%
Russia	7.0%
Thailand	3.1%
Mexico	2.1%
South Africa	1.8%
Indonesia	1.2%

## TOP TEN SECTORS

Financials	26.0%
Information Technology	15.2%
Communication Services	12.7%
Energy	9.9%
Consumer Discretionary	9.5%
Materials	6.8%
Industrials	5.8%
Consumer Staples	5.6%
Real Estate	2.5%
Health Care	1.9%

## TOP TEN ACTIVE HOLDINGS

China Construction Bank Corp. (China)	1.9%	Banco do Brasil SA (Brazil)	1.2%
Tencent Holdings Ltd. (China)	1.8%	Ping An Insurance (Group) Co. of China Ltd. (China)	1.2%
Investimentos Itau (Brazil)	1.6%	Gazprom PJSC (Russia)	1.2%
Samsung Electronics Co., Ltd. (South Korea)	1.3%	Anhui Conch Cement Co., Ltd. (China)	1.1%
Lukoil (Russia)	1.3%	Bank of China (China)	1.0%

*Active defined as Fund weight minus MSCI Emerging Markets Index weight. The holdings identified above can and will differ from the Fund's Top 10 holdings measured by Fund weight. Holdings are subject to change.*

## Market commentary

Emerging market ("EM") equities posted positive returns in the second quarter, buoyed by an increasingly dovish US Federal Reserve. The MSCI Emerging Markets Index ("Index") returned 0.33% in local currency terms during the period. Emerging Europe, Middle East, and Africa ("EMEA") was the top performing region group within the Index. The emerging Latin America region also posted positive returns during the period, attributable in part to strong performance from Brazilian equities. Emerging Asia was the poorest performing region group during the quarter. Financials, consumer staples, and utilities were the top performing sectors within the Index in local currency terms. Health care, communication services, and materials were the weakest performers.

Causeway Emerging Markets UCITS Fund - USD share class ("Fund") performed in-line with the Index during the quarter. We use both bottom-up and top-down factor categories to seek to forecast alpha for the stocks in the Fund's investable universe. Our price momentum factor was the top performing bottom-up category in the second quarter, although it has underperformed over the trailing twelve month period despite this recent resurgence. Our earnings growth factor, which is correlated with momentum, was also a positive indicator during the quarter. Our value factor category underperformed during the period. Of our top-down factors, macroeconomic and sector were positive indicators during the quarter. The country and currency factors were negative during the period.

Over the quarter, Fund positioning in the emerging Asia region detracted from relative performance as negative stock selection in China and India more than offset positive stock selection in South Korea. Within the emerging Latin America region, stock selection in Brazil contributed to relative performance. Positioning in the EMEA region contributed to performance relative to the Index, primarily attributable to holdings in Russia. From a sector perspective, the largest detractors from relative performance were industrials, health care, and communication services. Financials, energy, and consumer staples were the greatest contributors to relative performance during the period. The largest stock-level detractors from relative performance included overweight positions in mortgage lender, Indiabulls Housing Finance Ltd. (India), pharmaceuticals producer, AurobindoPharma Ltd. (India), financial services company, Reliance Capital Ltd. (India), and pulp & paper producer, Suzano SA (Brazil), as well as an underweight position in real estate development company, Housing Development Finance Corp. (India). The greatest stock-level contributors to relative performance included overweight positions in energy giant, Gazprom PJSC (Russia),

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*Investing involves risk, including possible loss of principal. International investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. These risks are further enhanced for investments in smaller capitalization companies. The Fund is also subject to, among other risks, market fluctuations and security selection risk, quantitative risk and derivatives risk. Current and future securities exposures are subject to risk.*

*Holdings are subject to change. There is no assurance that any securities exposures mentioned will remain in or out of the Fund.*



